

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1-17. (canceled)

18. (currently amended) A computer-implemented system for the automated trading of U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instruments, in order to handle an offsetting trade, an offsetting trade being a trade of a financial instrument executed within a predefined period of time of another trade of a same financial instrument, comprising:

an updatable database for receiving real time price and quantity information pertaining to each of a plurality of financial instruments from a market data feed, ~~wherein~~ the plurality of financial instruments ~~constitutes~~ constituting an offering inventory and each ~~such~~ financial instrument ~~is~~ being one of a U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instrument; and

a computer implemented system proprietor for automatically (1) identifying a trade of a selected one of the financial instruments in the offering inventory to be executed, (2) determining ~~if~~ whether or not the trade to be executed is an offsetting trade, ~~wherein an offsetting trade is at least one of a plurality of trades of a same financial instrument, which plurality of trades are executed within a predefined period of time of each other,~~ and, (3) ~~if~~ when the trade to be executed is determined to be an offsetting

trade, applying a price improvement ~~rule~~ process to the offsetting trade that improves a price of the offsetting trade for at least one party to the offsetting trade,

~~wherein~~ said step of applying the at least one price improvement ~~rule~~ process comprises the system proprietor:

capturing a bid price and an offer price for the selected financial instrument from the offering inventory; and

computing an improved price for trading the selected financial instrument that is an improvement to the first order price, ~~which~~ said improved price is being between the bid price and the offer price;

said system proprietor forwarding the offsetting trade to a remote public exchange for execution at the improved price, and updating the database and the offering inventory to reflect transactions forwarded by the system.

19. (currently amended) The system of claim 18, ~~wherein~~ said system proprietor is being further for canceling or revising orders.

20. (currently amended) The system of claim 18, ~~wherein~~ the system ~~notifies~~ notifying a user that an order has been executed.

21. (currently amended) The system of claim 18, further comprising an interface for ~~allowing~~ providing a user with the capability to manually update the offering inventory.

22. (currently amended) The system of claim 18, ~~wherein~~ said system proprietor automatically ~~updates~~ updating the offering inventory.

23. (currently amended) The system of claim 18, ~~wherein~~ the market data feed is being provided by at least one Interdealer Broker.

24. (currently amended) The system of claim 23, ~~wherein~~ the market data feed is being reformatted to record-based data prior to entry into the system.

25. (previously presented) The system of claim 18, further comprising a filter for removing incorrect market data from the offering inventory.

26. (currently amended) The system of claim 18, ~~wherein~~ the system proprietor is being operative to determine a derived price for the selected financial instrument, ~~wherein~~ the derived price is being calculated by:

- (a) determining a spread between a last transaction price and a desired transaction benchmark for the selected financial instrument;
- (b) determining a current existing price of the desired transaction benchmark; and
- (c) adding the spread to the current existing price of the transaction benchmark.

27. (currently amended) The system of claim 18, ~~wherein~~ the system proprietor ~~generates~~ generating a confirmation of the trade after execution thereof.

28. (currently amended) The system of claim 18, ~~wherein~~ the system ~~allows~~ providing the user with the capability to manually enter interfirm or dealer to dealer trades for execution.

29. (currently amended) The system of claim 28, ~~wherein~~ the system automatically ~~updates~~ updating the offering inventory in accordance with the manual trade.

30. (currently amended) The system of claim 18, ~~wherein~~ the price of the offsetting trade prior to application of the price improvement ~~rule is~~ process being a national best bid and offer price.

31. (currently amended) The system of claim 30, ~~wherein~~ said system proprietor is being further for converting the national best bid and offer price to a derived price in the event the national best bid and offer price is not available.

32. (currently amended) The system of claim 18, ~~wherein~~ offsetting trades ~~are~~ being executed at an execution price and ~~wherein~~ the price improvement ~~rule comprises~~ process comprising computing an average of the execution prices of a plurality of offsetting trades and applying the average of the execution prices to at least one of the offsetting trades.

33. (currently amended) A computer-implemented data processing method for the automated trading of high liquidity financial instruments in order to handle an offsetting trade, an offsetting trade being a trade of a financial instrument executed within a predefined period of time of another trade of a same financial instrument, each financial instrument being one of a

U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instrument, said method comprising;

receiving, in an updatable database, real time price and quantity information pertaining to each of a the plurality of financial instruments from a market data feed; ~~wherein the plurality of financial instruments constitutes an offering inventory and each such financial instrument is one of a U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instrument~~; and

~~automatically performing automatically~~ the steps, in a computer implemented system proprietor, of (1) identifying a trade of a selected one of the financial instruments in the offering inventory to be executed, (2) determining if whether or not the trade to be executed is an offsetting trade, ~~wherein an offsetting trade is at least one of a plurality of trades of a same financial instrument, which plurality of trades are executed within a predefined period of time of each other~~, and, (3) if when the trade to be executed is determined to be an offsetting trade, applying a price improvement ~~rule~~ process to the offsetting trade that improves a price of the offsetting trade for at least one party to the offsetting trade,

~~wherein~~ applying the at least one price improvement ~~rule~~ comprises process comprising the system proprietor:

capturing a bid price and an offer price for the selected financial instrument from the offering inventory; and

computing an improved price for trading the selected financial instrument that is an improvement to the first order price, which improved price is between the bid price and the offer price;

~~said method further~~ comprising further the method steps of forwarding the
offsetting trade to a remote public exchange for execution at the improved price; and
updating the database and the offering inventory to reflect transactions forwarded
by the method.